



OFFICE OF
INSURANCE COMMISSIONER

OLYMPIA OFFICE:
INSURANCE BUILDING
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pel 6/22/98

\$1,250.00

In the Matter of

AMERICAN NATIONAL FIRE
INSURANCE COMPANY,

An Authorized Insurer

No. D 98-30

CONSENT ORDER

FACTS AND STIPULATIONS

1. On May 21, 1997, an analyst employed by American National Fire Insurance Company, (Hereinafter "American National Fire") named Kathy Lesch wrote to the Insurance Commissioner concerning an inland marine loss cost filing enclosed with her letter. She said that she had noticed that it had apparently been sent to the Office of the Insurance Commissioner ("OIC") on October 28, 1994, but that nothing appeared in the file maintained by American National Fire to indicate that it ever arrived at the OIC. American National Fire had been using this unfiled rate ever since its proposed effective date of December 21, 1994.

2. In correspondence after the initial letter of May 21, 1997, American National Fire cooperated by providing information about the number of policies and insureds that were affected by this.

FINDINGS:

1. The Commissioner finds that American National Fire used an unfiled rate, in violation of RCW 48.19.040 (1) and (6). Although RCW 48.19.010, "Scope of Chapter", exempts ocean marine insurance at subsection (1)(e), that subsection also distinguishes ocean marine insurance from inland marine insurance. The product in question is inland marine insurance.

2. In mitigation of the offense, the Commissioner also finds that American National Fire voluntarily brought the violation to the attention of the Commissioner's staff. The Commissioner further finds that American National Fire has cooperated in the investigation of the matter.

3. The Commissioner also finds that RCW 48.05.140(1) authorizes the Commissioner to suspend or revoke an insurer's certificate of authority if the insurer "Fails to comply with any provision of this code other than those for violation of which...suspension or revocation is mandatory, or which fails to comply with any proper order or regulation of the Commissioner." The Commissioner also find that RCW 48.05.185 authorizes the Commissioner, after hearing or with the consent of the insurer, to levy a fine in an amount not less than two hundred fifty dollars and

not more than ten thousand dollars, in addition to or in lieu of suspension or revocation of the insurer's certificate of authority.

CONSENT TO ORDER

1. American National Fire hereby stipulates and agrees to the foregoing Facts and Stipulations and Findings. American National Fire also consents to the payment of a fine in the total amount of \$1250. This sum is to be paid in full within thirty days of the entry of this order at Olympia, Washington. If the fine is not timely paid in full, the Insurance Commissioner shall revoke the certificate of authority held by American National Fire, and the fine shall be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

2. American National Fire acknowledges its duty to comply with all the applicable laws and regulations of Washington state, including but not limited to filing requirements for contracts and rates.

Signed this 24th day of June, 1998

AMERICAN NATIONAL FIRE INSURANCE COMPANY

By [Signature]

Assistant Vice President &

Title Senior Corporate Counsel

IT IS ORDERED that pursuant to RCW 48.05.140 and RCW 48.05.185, the Insurance Commissioner imposes a fine upon American National Fire in the amount of \$1250. This is to be paid in full within 30 days after this order is entered at Olympia, Washington. If the fine is not timely paid in full, the Insurance Commissioner shall revoke the insurer's certificate of authority, and the fine will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS 24th DAY OF June, 1998

By Edward L. Fleisher

EDWARD L. FLEISHER,

Deputy Insurance Commissioner
For Legal Affairs